

## Remarks on Signing the Small Business Job Protection Act of 1996 August 20, 1996

Thank you very much. Cathy, it may be your birthday, but I would say that everybody here feels that you have given us a great gift today by reminding us about what this is all about. And we wish you and your fine children well. And I don't think being in the band will hurt them a bit. I'm glad you're going to do that. *[Laughter]*

I want to thank the members of our administration who are here: Secretary Reich, Small Business Administrator Phil Lader, and others. I want to thank all the Members of Congress who are here, especially Senator Kennedy who, himself, probably broke the wage and hour laws by working so hard to pass this bill. If we'd been paying him by the hour, we'd be underpaying him in the last year. Thank you very much.

There are a lot of people who worked hard on this bill who aren't here: Senator Daschle, Congressman Gephardt, Congressman Bonior, Congressman Clay in particular did. I want to join with others and thank the countless labor unions who have championed this bill, led by the truly tireless John Sweeney.

I'd like to remind the American people of something, because sometimes our unions are criticized for looking out for their members too much. There are very few unions in America that have minimum wage workers. Most of these unions did this because they thought it was the right thing to do. They spent their time and their money and their energy trying to help other people who do not belong to their organizations, and I thank you for that.

I'd like to thank the religious groups, the economists, the business people who have made this their cause of concern. Again, I thank the Members, including members of both parties, who supported this legislation.

I'll say more in a moment about the rest of the bill, but let me just begin by saying this is a truly remarkable piece of legislation. It is pro-work, pro-business, and pro-family; it raises the minimum wage; it helps small businesses in a number of ways that I will explain in a moment, including retirement and incentive to invest; and it promotes adoption in two very sweeping ways that have long needed to be done

in the United States. This is a cause for celebration for all Americans of all parties, all walks of life, all faiths. This bill represents the very best in our country. It will give 10 million Americans, as Cathy said, a chance to raise stronger families and build better futures. By coming together across lines that have too often divided us and finding common ground, we have made this a real season of achievement for the people of America.

At its heart, this bill does reaffirm our most profoundly American values: offering opportunity to all, demanding responsibility from all, and coming together as a community to do the right thing. This bill says to the working people of America, if you're willing to take responsibility and go to work, your work will be honored. We're going to honor your commitment to your family. We're going to recognize that \$4.25 an hour is not enough to raise a family.

It's harder and harder to raise children today and harder and harder for people to succeed at home and at work. And I have said repeatedly over and over again to the American people, we must not force our families to make a choice. Most parents have to work. We have a national interest in seeing that our people can succeed at home where it counts the most in raising their children, and succeed at work so they'll have enough income to be able to succeed at home. We must do both, and this bill helps us achieve that goal.

These 10 million Americans will become part of America's economic success story, a success story that in the last 4 years has led us to 900,000 new construction jobs; a record number of new businesses started, including those owned by women and minorities; a deficit that is the smallest it's been since 1981 and 60 percent less than it was when I took office; 10 million new jobs; 12 million American families who have been able to take advantage of family and medical leave; almost 4½ million new homeowners and 10 million other Americans who refinanced their homes at lower mortgage rates. And, most importantly of all, perhaps, real hourly wages, which fell for a decade, have finally begun to rise again. America is on the move.

But our challenge, my fellow Americans, is to make sure that every American can reap the rewards of a growing economy, every American has the tools to make the most of his or her own life, to build those strong families, and to succeed at home and at work. As the Vice President said, the first step was taken in 1993 with the passage of the family and medical leave law and with the earned-income tax credit, which cut taxes for 15 million working families. Today, that earned-income tax credit is worth about \$1,000 to a family of four with an income under \$28,000 a year.

Well, today we complete the second half of that effort. Together with our tax cut for working families, this bill ensures that a parent working full time at the minimum wage can lift himself or herself and their children out of poverty. Nobody who works full time with kids in the home should be in poverty. If we want to really revolutionize America's welfare system and move people from welfare to work and reward work, that is the first, ultimate test we all have to meet. If you get up every day and you go to work, and you put in your time and you have kids in your home, you and your children will not be in poverty.

We have some hard working minimum wage people here today supporting Cathy. Let me tell you about them: 70 percent of them are adults, 6 of 10 are working women, and for them, work is about more than a paycheck, it's about pride. They want a wage they can raise their families on. By raising the minimum wage by 90 cents, this bill, over 2 years, will give those families an additional \$1,800 a year in income, enough to buy 7 months of groceries, several months of rent, or child care, or as Cathy said, to pay all of the bills from the utilities in the same month.

For many, this bill will make the difference between their ability to keep their families together and their failure to do so. These people reflect America's values, and it's a lot harder for them than it is for most of us to go around living what they say they believe in. It's about time they got a reward, and today they'll get it.

I would also like to say a very special word of thanks to the business owners, especially the small-business owners who supported this bill. Many of the minimum wage employers I talk to wanted to pay their employees more than 4.25 an hour and would be happy to do so

as long as they can do it without hurting their businesses, and that means their competitors have to do the same thing. This bill will allow them to compete and win, to have happier, more productive employees, and to know they're doing the right thing. For all of those small businesses, I am very, very appreciative.

I would also like to say that this bill does a remarkable number of things for small businesses. In each of the last 3 years, our Nation has set a new record in each succeeding year in the number of new businesses started. And we know that most of the new jobs in America are being created by small and medium-sized businesses. In 1993, I proposed a \$15,000 increase in the amount of capital a small business can expense, to spark the kind of investment that they need to create jobs. Well, in 1993 we only won half that increase, but today I'll get to sign the second half into law, and I thank the Congress for passing that, as well.

As the Vice President said, this bill also includes a work-opportunity tax credit to provide jobs for the most economically disadvantaged working Americans, including people who want to move from welfare to work. Now there will be a tightly drawn economic incentive for people to hire those folks and give them a chance to enter the work force as well. It extends the research tax credit to help businesses stay competitive in the global economy. It extends a tax incentive for businesses to train and educate their employees. That's good news for people who need those skills, and it's good news for America because we have to have the best educated work force in the world in the 21st century.

This legislation does even more to strengthen small business by strengthening the families that make them up. It helps millions of more Americans to save for their own retirement. It makes it much easier for small businesses to offer pension plans by creating a new small business 401(k) plan. It also lets more Americans keep their pensions when they change jobs without having to wait a year before they can start saving at their new jobs. As many as 10 million Americans without pensions today could now earn them as a result of this bill.

I'm delighted we are joined today, among others, by Shawn Marcell, the CEO of Prima Facie, a fast-growing video monitoring company in Pennsylvania which now has just 17 employees, but that's a lot more than he started with. He

stood with me in April and promised that if we kept our word and made pensions easier and cheaper for small businesses like his, he'd give pensions to all of his employees. Today he has told us he's making good on that pledge. I'd like him to stand up, and say I predict that thousands more will follow Shawn's lead. Thank you, Shawn. Please stand up. Let's give him a hand. God bless you, sir. [Applause] Thank you.

I'd also like to say a special word of thanks to our SBA Administrator, Phil Lader, and to the White House Conference on Small Business. When the White House Conference on Small Business met, they said one of their top priorities was increasing the availability and the security of pensions for small-business owners in America. This is a good thing. It is also pro-work, pro-family, and pro-business.

Finally, this bill does something else that is especially important to me and to Hillary, and I'm glad she's here with us today. It breaks down the financial and bureaucratic barriers to adoption, giving more children what every child needs and deserves, loving parents and a strong, stable home.

Two weeks ago, we had a celebration for the American athletes who made us so proud in Atlanta at the centennial Olympics. Millions of Americans now know that one of them, the Decathlon Gold Medalist Dan O'Brien, speaks movingly about having been an adopted child and how much the support of his family meant in his life. Right now, there are tens of thousands of children waiting for the kind of family that helped to make Dan O'Brien an Olympic champion. At the same time, there are thousands of middle class families that want to bring children into their homes but cannot afford it. We're offering a \$5,000 tax credit to help bring them together. It gives even more help to families that will adopt children with disabilities or take in two siblings, rather than seeing them split up. And lastly, this bill ends the long-standing bias against interracial adoption which has too often meant an endless, needless wait for America's children.

You know, as much as we talk about strong, loving families, it's not every day that we here in Washington get to enact a law that literally creates them or helps them stay together. This is such a day. Although he can't be with us today, I also want to thank Dave Thomas, himself adopted, who went on to found Wendy's

and do so much for our country. Perhaps more than any other American citizen, he has made these adoption provisions possible, and we thank him.

Lastly, I'd like to point out that we do have some significant number of adoptive families here with us today, including some who are on the stage. And so I'd just like to acknowledge the Weeks family, the Wolfington family, the Outlaw family, the Fitzwater family, and ask them and anyone else here from the adoptive family community to stand up who'd like to stand. We'd like to recognize you and thank you for being here. Thank you all for being here. [Applause] Thank you.

Beside me, or in front of me now, is the desk used by Frances Perkins, Franklin Roosevelt's Labor Secretary and the very first woman ever to serve in the Cabinet. She was one of our greatest Labor Secretaries. It was from her desk that many of America's pioneering wage, hour, and workplace laws originated, including the very first 25 cent an hour minimum wage signed into law by President Roosevelt in 1938.

Secretary Perkins understood that a living wage was about more than feeding a family or shelter from a storm. A living wage makes it possible to participate in what she called the culture of community, to take part in the family, the community, the religious life we all cherish, confident in our ability to provide for ourselves and for our children, secure in the knowledge that hard work does pay. A minimum wage increase, portable health care, pension security, welfare to work opportunities: that's a plan that's putting America on the right track.

Now we have to press forward, giving tax cuts for education and childrearing and child care, buying a first home, finishing that job of balancing the budget without violating our obligations to our parents and our children and the disabled and health care, to education and the environment, and to our future. That's a plan that will keep America on the right track, building strong families and strong futures by working together.

For everyone here who played a role in this happy day, I thank you, America thanks you, and our country is better because of your endeavors.

God bless you. Thank you.

NOTE: The President spoke at 2:25 p.m. on the South Lawn at the White House. In his remarks, he referred to Catherine Wilkinson, an employee of West Virginia Northern Community College

who introduced the President, and John Sweeney, president, AFL-CIO. H.R. 3448, approved August 20, was assigned Public Law No. 104-188.

## Statement on Signing the Small Business Job Protection Act of 1996 *August 20, 1996*

Today I have signed into law H.R. 3448, the "Small Business Job Protection Act of 1996."

This is important and long overdue legislation that provides a badly needed pay raise for millions of Americans and their families who struggle to make ends meet while working at the minimum wage. The Act boosts the minimum wage in two steps—a 50 cent increase from \$4.25 to \$4.75 an hour that takes effect October 1, followed by an additional 40 cent rise to \$5.15 an hour on September 1, 1997. This increase will help some 10 million of our hardest pressed working families build a better future. It is true to the basic American bargain that if you work hard you ought to have food on your table and a living wage in your pocket. It is the right thing to do.

I should note that I disagree with certain provisions added to the minimum wage title of the Act, such as the provision creating a new sub-minimum wage for young people and the one denying increased cash wages to most employees who rely on tips for part of their income. Still, those defects do not obscure the central accomplishment of this Act—securing the first minimum wage increase since 1991.

Beyond raising the minimum wage, this Act represents real progress on a number of other fronts.

First, I am particularly gratified by the important provisions in this Act concerning adoption. The Act provides a nonrefundable tax credit of up to \$5,000 per child for adoption expenses; \$6,000 for children with special needs. It will help thousands of children waiting for a family who wants them. It will help thousands of middle class parents realize their dream of adopting a child. It will build stronger families and stronger communities.

Moreover, the Act bars placement agencies that receive Federal funds from denying or delaying adoptions based on race, color, or national

origin. As I have consistently said, it is time to end the historical bias against interracial adoptions. That bias has too often meant interminable delay for children waiting to be matched with parents of the same race. It is time to put the creation of strong and loving families first.

Second, the Act creates a simplified, 401(k) retirement plan for small businesses, making it far easier for such companies to offer pensions to their employees. This new plan includes many of the pension reforms my Administration proposed more than a year ago. For example, it increases the portability of pensions, allowing more new workers to start saving for retirement from their first day on the job. It cuts the vesting period for workers in multiemployer plans from 10 years to 5, immediately vesting over 1 million workers in their benefits. It repeals the so-called "family aggregation rule," which limited the retirement benefits of family members working together in the same business. It allows nonprofit organizations and Indian tribes to maintain 401(k) plans for their workers; assures veterans they will have continued pension coverage if they return to a civilian job after military service; and makes pension benefits safer and more secure for millions of employees of State and local governments. The pension provisions in the Act are not perfect—they provide a smaller share of benefits to lower and middle wage workers than I proposed. But they are a significant step in the right direction.

Third, the Act gives a boost to small business by increasing the amount of capital that small businesses can write off as an expense. I proposed a \$15,000 increase in 1993 in order to encourage the kind of investment that creates new growth and jobs. The Congress passed half of what we advocated then and this legislation gives us the other half. Although the measure in this Act is phased in more slowly than I